

SOUTH JERSEY LEGAL SERVICES, INC.
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By: DAVID M. PODELL (DP 1975)

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
TRENTON VICINAGE**

In Re:

REGENCY HOUSING PARTNERS, L.P.,

Debtor.

REGENCY PARK RESIDENTS'
ASSOCIATION, LISA MARIE MORRIS,
LUVENIA CALLUM, PIERRETTE CHANG,
NAM CHAN CHO, RUTH DAVERN,
STEPHEN DREXLER, CHANEY HALLET,
ANNETTE & RICHARD HALSEY,
REN QIAO HUO, JACQUELINE JETER,
SAM KIM, ANNE LUYSTER, MILDRED
MCDOWELL, MURIEL STREET, and
EVANGELA YOUNG,

Plaintiffs,

v.

UNITED STATES DEPARTMENT OF
HOUSING AND URBAN
DEVELOPMENT, and ALPHONSO
JACKSON, in his official capacity as
Secretary of the United States Department of
Housing and Urban Development,

Defendants.

Case No.: 07-20228 (MBK)

Chapter 7

Judge: Hon. Michael B. Kaplan

Adv. No. _____

Hearing Date: _____
Oral Argument Requested

CERTIFICATION OF KAREN T. ROBBINS
SUPPORTING PLAINTIFFS' APPLICATION FOR TEMPORARY
RESTRAINING ORDER AND PRELIMINARY INJUNCTION

Karen T. Robbins, of full age, hereby states as follows:

1. I am the executive director of Woolman Community Development Corporation, a New Jersey non-profit corporation dedicated to the development and preservation of decent, safe and affordable housing in the Burlington County area. Currently our office is located at the Woolman Commons development site in Mount Holly, New Jersey. I have over twenty-five years experience in urban planning, community development and financing for affordable housing.

2. In early March of this year, I learned that a fire had occurred at Regency Park Apartments (Regency Park) in Mount Holly. I was familiar with Regency Park as a provider of affordable housing especially for senior citizens and those with disabilities. A few days later I went to visit some of the displaced residents at the temporary shelter set up by the Red Cross in an old school.

3. After returning to the property, 16 individual residents and the resident association at Regency Park Apartments filed a petition for receivership because of the poor management and condition of the property. On June 20, a federal court granted a preliminary injunction appointing a receiver. On July 5, the residents contacted me to inquire if Woolman CDC would be interested in serving as the receiver with the intention of acquiring the building and maintaining it as affordable housing for both seniors and disabled residents, as well as low-income families across the street. On July 11, I proposed that Woolman CDC partner with a developer who specializes in the renovation of FHA-insured (or defaulted) multifamily projects, and a manager who specializes in tax credit properties, since tax credit properties require specific knowledge and procedures; and we would expect to use tax credits to help finance acquisition and rehabilitation. I

identified two qualified developer/managers who had expressed an interest in participating in such an arrangement.

4. After one of the two identified companies, Related Management Company LLC, toured the building, Woolman CDC proposed to the tenant association at a meeting held on July 24th, that Related Management Company partner or team with Woolman CDC for purposes of managing and acquiring the property. The tenant association agreed to recommend to Judge Rodriguez that Related Management serve as receiver.

5. Regency Housing Partners, L.P., the owner of Regency Park Apartments, subsequently filed for Chapter 7 bankruptcy. It is my understanding that the U.S. Department of Housing and Urban Development (HUD) originally had insured the primary mortgage on the property, and after the owner became delinquent on its mortgage payments, HUD subsequently assumed and now holds the mortgage. The Chapter 7 Trustee Bunce Atkinson, Esq., obtained an operating order from this Court and approval to contract with Related to manage Regency Park during the pendency of the bankruptcy case matter. I understand that Related Management Company LLC expressed to HUD their interest in forming a partnership with Woolman CDC to purchase Regency Park in lieu of foreclosure in order to maintain the property as an affordable housing asset for low-income seniors and the disabled, with the possibility of increasing the number of affordable units in the building for lower-income tenants.

6. On Thursday, August 30, I went to Regency Park to try to assist the residents in resolving some of the outstanding routine maintenance and repair issues. Upon approaching the entrance to the high rise building, I noticed two men directly outside the entrance. I asked them if they were there as employees of Related, and they

said no. I asked them who they were, and they told me their names were Mark Duszak, an associate at CBRE (CB Richard Ellis), and Wolf Loecherath of Lehman Brothers. I wanted to know what their business was at Regency and asked them several questions, but they did not give me specific answers. At one point they said that they were from "the bank", and at another point they said that HUD had sent them. They then told me that they were bidding on the property through HUD, and they gave me the website address in case I was interested in bidding. I asked them if they would issue bonds if they purchased the building, and they said no. They told me that they had been inside the building and said that I could get in as well because there was someone inside who would let me inside.

7. I then knocked on the glass security door and was let in by Doris Re, the on-site manager for Related. I asked Ms. Re several questions about the two men I had spoken with outside, but she did not have much information as to why they were there.

8. I later learned that HUD is in the process of selling the mortgage on Regency Park as part of a "bundle" of mortgage loans in a competitive sealed bid sale. It is my understanding that HUD will be selling the mortgage loan without any continuing use restrictions and simply will sell the loan to the highest bidder without any requirements that the Regency remain affordable housing to lower-income senior citizens and disabled persons. I am concerned about HUD's sale of the mortgage under these circumstances. It will be detrimental to the vulnerable people living at Regency Park, as well as to the community due to the loss of desperately needed affordable housing. In fact, I am perplexed by HUD's action since HUD is aware that Woolman CDC, partnering with Related Management Company, is willing to purchase Regency Park to

maintain and continue it as affordable housing for seniors and the disabled—and possibly even expanding the number of affordable units that already exist there.

9. I certify under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge.

Dated: 9/17/07

Karen Robbins
KAREN T. ROBBINS